

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF THE PETITION OF</b>	)	
<b>VERIZON NORTHWEST, INC. FOR A</b>	)	<b>CASE NO. VZN-T-01-8</b>
<b>WAIVER FROM THE COMMISSION'S</b>	)	
<b>TELEPHONE CUSTOMER RELATIONS</b>	)	
<b>RULES REGARDING PARTIAL PAYMENT</b>	)	<b>ORDER NO. 29321</b>
<b>APPLICATION.</b>	)	

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On August 5, 2003, Verizon Northwest, Inc. filed a request with the Commission seeking a continued, indefinite waiver from the partial payment rules contained in the Commission's Telephone Customer Relations Rules. IDAPA 31.41.01.306.06 and 312.03. On September 19, 2001, the Commission granted the Company a two-year exemption from the above Rules. Order No. 28857. After reviewing the record in this matter the Commission grants the Company's Application.

**BACKGROUND**

Verizon's billing system cannot accommodate customers' requests to allocate partial payments in a way that differs from its automatic processes. This inability to manually allocate payments as directed by customers causes Verizon to not be in compliance with Rules 306.06 and 312.03 of the Telephone Customer Relations Rules (TCRR). In June 2001, Verizon requested a temporary exemption from the rules, stating that the Company was considering modifying or replacing its billing system and did not find it cost-effective or advisable to do so. In Order No. 28857, Case No. VZN-T-01-8, the Commission granted Verizon's request for a two-year exemption from these Rules. This exemption expires on September 19, 2003. The Company was ordered to report back to the Commission on its progress towards being able to comply with these Rules.

Staff reviewed its records and determined that no complaints had been filed regarding this issue since September 2001. However, a few complaints touched on the issue tangentially. In response, Verizon agreed to modify its automatic allocation system so that partial payments will first be applied to all amounts due for local exchange service. This modification will guarantee that customers will not lose local exchange service as long as a customer's payment is sufficient to cover charges for that service. Based on the lack of complaints, the system modification coupled with procedures in place to address customers' billing disputes and payment allocation issues, Staff believed Verizon's proposal would be an adequate interim solution to the Company's billing system

problem. However, Staff continued to believe that allowing customers to direct how their payments will be allocated as required by the Commission's Rules is the best course of action.

On August 5, 2003, the Commission received a letter from the Company indicating that Verizon "has put any major system modifications on hold." The Company maintains that making the necessary changes to the existing billing system to allow for customer-directed payment allocation remains cost-prohibitive. Therefore, the Company requests that the waiver continue to remain in place indefinitely until such time as the Company undertakes a major upgrade of its billing system.

#### **STAFF RECOMMENDATION**

Staff recommended that the Company be granted a continuing exemption from Rules 306.06 and 312.03 until such time as the Company either replaces its current billing system or undertakes major modifications of its billing system. Staff also recommended that Verizon be required to file a report with the Commission regarding the status of its billing system if the Company has not made such changes by September 19, 2006.

#### **COMMISSION FINDINGS**

After reviewing the record in this matter the Commission finds it appropriate to grant the Company's request. Although we desire that Verizon comply fully with the Commission's Rules, we also believe that the Company has shown that it would be costly to change its billing system at this time. Therefore, Verizon's request for exemptions from Telephone Customer Relations Rules 306.06 and 312.03 are granted. However, this grant is subject to the following conditions: 1) Verizon is directed to continue to make progress towards fully complying with Rules 306.06 and 312.03 of the Telephone Customer Relations Rules; and 2) Verizon shall file a report with the Commission regarding the status of its billing system and whether it complies with the Commission's Telephone Customer Relations Rules 306.06 and 312.03, by September 19, 2006.

#### **ORDER**

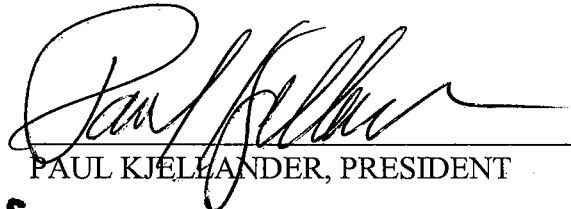
IT IS HEREBY ORDERED that Verizon Northwest, Inc.'s request for exemption from the Commission's Telephone Customer Relations Rules 306.06 and 312.03 is granted indefinitely until such time as the Company replaces or undertakes a major modification of its billing system.

IT IS FURTHER ORDERED that the Commission's granting of the Company's Application is subject to two conditions: 1) Verizon is directed to continue to make progress towards fully complying with Rules 306.06 and 312.03 of the Telephone Customer Relations Rules; and 2)

Verizon shall file a report with the Commission regarding the status of its billing system and whether it complies with the Commission's Telephone Customer Relations Rules 306.06 and 312.03, by September 19, 2006.

THIS IS A FINAL ORDER. Any person interested in this Order or in interlocutory Orders previously issued in this Case No. VZN-T-01-8 may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order or in interlocutory Orders previously issued in this Case No. VZN-T-01-8. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *See Idaho Code* § 61-626.

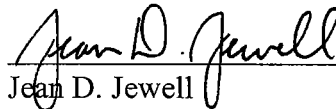
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 21<sup>st</sup> day of August 2003.

  
PAUL KJELLANDER, PRESIDENT

  
MARSHA H. SMITH, COMMISSIONER

  
DENNIS S. HANSEN, COMMISSIONER

ATTEST:

  
Jean D. Jewell  
Commission Secretary

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